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Rewald Associate Draws Prison

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wald should "sacrifice comfort to defend himself against serious criminal charges."

He said Rewald should move to a cheaper house and take a bus instead of using a rental car.

REWALD, in an affidavit signed Sept. 24, argued that he was not living extravagantly.

"The house is a very nice house," Rewald wrote. "A large one in what years ago must have been a very nice neighborhood. At the present time, it is not quite that. While we are just happy to be living together as a family once again, we are not quite living in the lap of luxury described by the press, the prosecutors and the government. My son appears to be one of the

only Caucasians in an all-black school, which is only three blocks from where we live and my daughters are attending a school with similar conditions around the corner from our house."

WONG, DURING his sentencing, apologized to the investors, 90 percent of whom he said he never met, and said he was sorry "I can never make them whole."

Bankruptcy administrator Hayes said Wong apparently received about \$250,000 in salaries and other travel expenses.

Wong's attorney, Kevin Chang, said Wong eventually became aware that Rewald was involved in questionable business dealings but closed his eyes to it because

of the money he was making.

Chang said Wong's crimes were "acts of omission" and that Wong was not a mastermind.

Assistant U.S. Attorney Peyton acknowledged that Wong was a "second-string player" compared to Rewald, but said Wong's "participation was significant in the perpetration of this massive fraud."

PEYTON PUT Bishop, Baldwin bankruptcy administrator Thomas Hayes on the stand to give individual examples of how investors were hurt in the fraud.

Hayes said that within an hour of taking over Bishop, Baldwin offices last year as interim bankruptcy trustee, he knew that Rewald's operation was a fraud.

That prompted King to say that the several lawyers associated with Rewald should have known it was a fraud also. King asked Peyton if any lawyers had been indicted. Peyton said "not yet."

Indictments of Rewald associates who took part in soliciting investors are expected soon. One defense attorney at yesterday's hearing said he believed his client, a woman who was a Rewald consultant, was about to be indicted.

Chang said that while Wong lent his name to the company title, he kept his real estate business separate from Rewald's business. Wong did oversee some sports equipment businesses which lost money, Hayes said.